



1997 SMALL BUSINESS PROFILE

SMALL BUSINESS: BACKBONE OF THE NEW HAMPSHIRE ECONOMY

The importance of small business to the state of New Hampshire is evident in the 1997 Small Business Profile. The findings reported in this year's profile, compiled by the U.S. Small Business Administration's (SBA) Office of Advocacy, clearly indicate the crucial role small businesses play in the state's economy. Not only do small businesses play a vital role as job creators, but their diversity and composition provide the work force with endless opportunities.

Number of Businesses - In 1996, New Hampshire had 35,575 businesses with employees; 97.0 percent of the businesses were small businesses (percent based on 1994 data for independent businesses with fewer than 500 workers). In addition to the number of employer businesses, the state also had 51,000 self-employed persons in 1996, for an estimated total of 86,575 businesses.

Small Business Income - The income of sole proprietors and partners rose 4.1 percent to \$2.4 billion in 1996, while wage-and-salary income rose 5.5 percent. Total personal income rose 5.3 percent to \$17.8 billion. The state also exported \$1.7 billion of goods and services in 1996.

Minority Businesses - According to The National Foundation for Women Business Owners, as of 1996, there were 41,900 women-owned businesses in New Hampshire, including part-time firms, employing 96,000 people and generating \$14.6 billion in sales. Between 1987-1996, the number of women-owned businesses, increased 69.6 percent.

According to the latest Bureau of the Census data, the number of Black-owned firms, including part-time firms, decreased 79.9 percent from 1987 to 1992, totaling 46 in 1992. The number of Hispanic-owned firms, including part-time businesses, rose 99.6 percent during the same time period with 487 firms in 1992. There has also been a marked increase in the number of businesses owned by Asian and Pacific Islanders, American Indians, and Alaskan Natives. The number for this group grew from 333 in 1987, to 666 in 1992, representing a 100.0 percent increase.

Business Turnover - The number of new firms decreased 0.5 percent, while new business incorporations decreased 0.8 percent in 1996. Financial difficulties leading to business bankruptcies were unchanged and business failures decreased by 3.9 percent during 1996.

Finance - An SBA Office of Advocacy study found that the number of banks in New Hampshire decreased from 24 in 1994 to 22 in 1996. The study also found the top lenders to small businesses in fiscal year 1996 were:

Bank Name	Location
FIRST COLEBROOK BK	Colebrook
CENTERPOINT BK	Bedford
FIRST NB OF PORTSMOUTH	Portsmouth
FLEET BK NH	Manchester

Job Growth - Very small businesses (less than 20 employees) created all of the net new jobs from 1992 to 1996. This number clearly reflect the importance of small businesses as job creators.

Number of Jobs Created by Major Industry and Employment Size of Firm, 1992-1996

Industry	1-4	5-19	20-99	100-499	500+	Totals
All Industries	41,605	8,921	4,394	(6,296)	(11,732)	36,893
Manufacturing	1,122	2,337	3,054	(1,007)	1,387	6,892
Retail Trade	9,269	1,263	1,145	(2,693)	(5,177)	3,806
Services	23,323	4,561	2,176	(639)	(5,169)	24,253
Other	7,890	759	(1,977)	(1,957)	(2,774)	1,942

Industries - The composition of small business in New Hampshire is very diverse. The Eating & Drinking Places industry is the largest small business employer in New Hampshire, followed by Health Services. The fastest growing industry for small business is Industrial & Commercial Machinery & Computer Equipment (represents industries that were at least 0.25% of the 1994 total).

The following three tables provide further information about the composition of the small business sector in the state. The information is for 1994, the latest year available.

Table 1, Top Five Industries in New Hampshire by Employment, 1994

Industry	SIC	Employment Total	Percent of Total	Percent Small
Total - All Industries	--	445,362	100.0	57.9
Health Services	8000	45,323	10.2	46.7
Eating & Drinking Places	5800	30,590	6.9	75.3
Business Services	7300	29,427	6.6	55.5
Food Stores	5400	19,541	4.4	39.9
Industrial & Commercial Machinery & Computer Equipment	3500	16,842	3.8	37.0

Table 2, Top Five Small Business Industries in New Hampshire by Employment, 1994

Industry	SIC	Employment in firms with 0 - 499 employees	Percent of Total	Percent Small
Total - All Industries	--	258,042	100.0	57.9
Eating & Drinking Places	5800	23,037	6.9	75.3
Health Services	8000	21,181	10.2	46.7
Business Services	7300	16,339	6.6	55.5
Wholesale Trade - Durable Goods	5000	12,292	3.6	77.3
Social Services	8300	11,758	2.8	93.3

Table 3, Fastest Growing Industries for Small Business in New Hampshire, 1993 - 1994

Industry	1993	1994	Amount Change	Percent Change
Total - All Industries	246,156	258,042	11,886	4.8
Industrial & Commercial Machinery & Computer Equipment	4,980	6,226	1,246	25.0
Nondepository Credit Institutions	532	650	118	22.2
Automotive Repair, Services, & Parking	3,300	3,978	678	20.5
Educational Services	5,759	6,872	1,113	19.3
Textile Mill Products	1,837	2,174	337	18.3

Sources: Office of Advocacy, U.S. Small Business Administration from data provided by the Department of Commerce, Department of Labor, Administrative Office of the U.S. Courts, Federal Reserve Board, Dun & Bradstreet Corporation, National Foundation of Women Business Owners, and Cognetics Inc.